GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 265
ANSWERED ON 21/07/2026

IMPACT OF INDIA-US TRADE DEAL

265. SHRI SAPTAGIRI SANKAR ULAKA

Will the Minister of **COMMERCE AND INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

(a) whether the Government has assessed the impact of the Iran–US conflict, possible disruptions in West Asian supply routes and the proposed India–US trade deal on the availability and prices of urea, DAP, MOP and other fertilizers in India;
(b) the details of India's current import dependence on fertilizers, natural gas, ammonia, phosphoric acid and potash, country-wise;
(c) whether any contingency plan has been prepared by the Government to ensure adequate fertilizer supply during Kharif and Rabi seasons through diversification of imports, strategic reserves and domestic production;
(d) whether the proposed India–US trade deal may affect fertilizer imports, subsidy burden or domestic manufacturers; and
(e) the steps taken by the Government to prevent fertilizer shortages, hoarding, black marketing and ensure timely supply to farmers at subsidised prices?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री जितिन प्रसाद)
THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) to (e) The Government is closely monitoring the evolving geopolitical developments, including the situation in West Asia, and their possible bearing on global supply chains and shipping routes.

For ensuring adequate and timely availability of fertilizers to the farmers in the country, following measures are taken by the Government every season:

i. Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the State-wise & month-wise requirement of fertilizers. The requirement of fertilizers is assessed taking into account the projected gross cropped area, irrigated area, last three seasons' consumption pattern and crop wise recommended dose of fertilizers as per soil Health fertility status etc.

ii. On the basis of requirement projected by DA&FW, D/o Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability.

iii. The movement of all major subsidized fertilizers is monitored throughout the country by an on-line web-based monitoring system called integrated Fertilizer Management System (iFMS).

iv. Regular Weekly Video Conference is conducted jointly by DA&FW and D/o Fertilizers with State Agriculture Officials and corrective actions are taken to dispatch fertilizers as indicated by the State Governments.

v. The gap between demand and indigenous production of fertilizers is met through timely imports which are done well in advance to ensure adequate and timely availability of fertilizers in the country.

vi. The distribution of fertilizers within the State at district/ block level is done by the concerned State Government.

Moreover, the availability of all the fertilizers viz. Urea, DAP, MOP and NPKS, in the country, has also remained adequate during the ongoing Kharif 2026 season i.e. from 01.04.2026 to 15.07.2026. The information regarding requirement, availability, sales and closing stock of these fertilizers during the said period is as under:

ALL INDIA					
FERTILIZER AVAILABILITY POSITION DURING ONGOING KHARIF 2026 (FROM 01.04.26 TO 15.07.26)					
					Fig. in LMT
S.No	Product	Requirement	Availability	DBT Sales	CLOSING STOCK AS ON 15.07.26
1	UREA	104.03	159.21	89.62	69.59
2	DAP	30.02	38.16	21.71	16.45
3	MOP	9.60	13.67	5.00	8.67
4	NPKS	46.28	83.02	37.77	45.24

In addition to this, there is also a closing stock of 22.13 LMT of indigenously produced SSP in the country which is used as a substitute of DAP for providing Phosphatic or 'P' nutrient to the soil.

Further, the Government has implemented Nutrient Based Subsidy (NBS) Scheme w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the Scheme, P&K fertilizers are covered under Open General License (OGL) and companies are free to import/manufacture these fertilizers as per their business dynamics.

To reduce dependence on imported Phosphatic fertilizers and make the country self-reliant, the following measures have been taken by the Government:

i. DoF Fertilizers has issued guidelines dated 18.01.2024 to ensure reasonableness of MRP and encourage domestic production.

ii. Based on the requests, the new manufacturing units or increase in manufacturing capacity of existing units have been recognized / taken on record under the NBS Scheme.

iii. The number of P&K fertilizers covered under the NBS Scheme has increased from 22 grades in 2021 to 28 grades.

iv. Freight Subsidy on Single Super Phosphate (SSP), which is an indigenously manufactured fertilizer, has been approved since Kharif, 2022 to promote SSP usage for providing Phosphatic or 'P' nutrient to the soil.

India and the United States (U.S.) announced a trade deal on February 02, 2026. A Joint Statement for the same was released on February 07, 2026. On February 07, 25% additional ad valorem tariffs imposed by the U.S. on certain India's exports citing India's imports of Russian oil were removed. Pursuant to U.S. Supreme Court judgement dated 20th February 2026 invalidating reciprocal tariffs, the reciprocal tariffs are no longer in force. However, the U.S. Government has issued Executive Orders imposing 10% tariffs on certain products from all countries under section 122 of U.S. trade Act 1974. The Government is studying all the developments and remains engaged with the U.S. Government.

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